

## **South Dakota Office of Attorney General**

### **Medicaid Fraud Control Unit (MFCU)**

Our mission is to protect state and federal funds from fraud, and to protect vulnerable persons from abuse and neglect.

We pursue three types of cases:

1. Provider Fraud
2. Abuse / Neglect
3. Theft of Patient Funds

We receive 75% of our budget from the federal government and 25% of our budget from South Dakota general funds.

Our FY2016 Budget:

25% State Share	\$113,091
75% Federal Share	<u>\$339,271</u>
FY2016 Total Budget	\$452,362

In FY2016, we recovered \$1,990,697 for South Dakota taxpayers.

*Return on Investment for FY2016:* Recoveries ÷ Budget = \$4.40, per \$1 spent

Most of our recoveries are from out-of-state Pharmaceutical companies. The vast majority of providers in South Dakota are honest and ethical, and we strive to work with providers.

In FY2016, we reviewed 641 incident reports and had 87 referrals pending.

Case examples:

**Criminal Case** - On March 18, 2016, Tanka R. Bhujel pleaded guilty to one count of Making False Claims to Medicaid, a class 5 felony. Bhujel falsely inflated his hours on home health care timesheets, while Bhujel worked for Alpha Sigma Health Group in Sioux Falls. MFCU discovered Bhujel's false claims by monitoring his arrival and departure times at a home health care recipient's house. For example, on February 19, 2015, Bhujel claimed that he had worked four hours, when in fact he was only at the care recipient's house for three minutes.

**Global Civil Case** - On April 27, 2016, MFCU joined a global case agreement to settle allegations against Wyeth. The settlement resolved allegations that Wyeth knowingly underpaid rebates owed to Medicaid. Wyeth agreed to pay \$784.6 million to the United States and the States. Medicaid Programs received over \$371 million of this amount. South Dakota recovery details:

\$1,037,538.24 retained by the federal government as the federal Medicaid share.

\$525,436.63 returned to SD State general fund to offset alleged Medicaid damages.

\$1,562,974.87 Total SD Medicaid Recovery

**Civil Case** - On July 28, 2016, MFCU reached a civil settlement agreement with Advanced EyeCare, of Sioux Falls. Advanced EyeCare/Jeffrey J. Browen, OD, paid \$236,080.09 to reimburse Medicaid and TRICARE. Dr. Browen terminated his SD Medicaid provider status in October 2015.

Every state has a MFCU (with the exception of North Dakota). We work closely with these other Units.

We work closely with local, state, and federal law enforcement officials. Our partners include:

- SD Department of Social Services
- SD Department of Health
- SD Department of Human Services
- US Attorney's Office
- US Department of Health and Human Services, Office of Inspector General
- Other MFCU's

We thank you for your service as Legislators. We appreciate the difficult work you do for South Dakota, and we are mindful of Matt Michels' description of serving as a Legislator: "It's like drinking through a fire hose." Please contact us if we can be of service, or if you have any questions or comments. We look forward to hearing from you!

Sincerely,

MFCU staff:

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